

City of Annapolis FY 2003 Proposed Budget All Funds Summary

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues and expenditures/expenses. Budgets for the following funds are included in this document:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Enterprise Funds - The Enterprise Funds are used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. Individual operations which the City of Annapolis has designated as Enterprise Funds include the Water, Sewer, Off Street Parking, Dock, Market, Transportation and Refuse Funds.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for all governmental fund types.

The following tables summarize the FY 2003 Proposed budget for the General, Enterprise and Special Revenue Funds.

<i>FY 2003 Proposed Revenues and Expenditures By Fund</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Difference</i>
General	\$39,506,770	\$39,506,770	\$0
Water	3,587,940	3,587,940	0
Sewer	4,443,680	4,443,680	0
Off Street Parking	1,917,000	1,353,050	563,950
Dock	591,370	591,370	0
Market	92,860	92,860	0
Transportation	3,064,200	3,554,430	(490,230)
Refuse	2,368,000	2,441,720	(73,720)
Grand Total	\$55,571,820	\$55,571,820	\$0

**City of Annapolis FY 2003 Proposed Budget
All Funds Summary**

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<i>Revenues</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>	<i>Percent Change</i>
Taxes	\$18,435,350	\$17,783,820	\$18,845,750	5.97%
Licenses and Permits	1,757,510	1,270,000	1,838,100	44.73%
Intergovernmental Revenues	12,438,940	11,226,570	12,602,210	12.25%
Charges for Services	15,991,090	16,012,270	15,995,570	-0.10%
Fines and Forfeitures	838,080	754,500	856,190	13.48%
Money and Property	1,998,960	1,774,320	1,565,140	-11.79%
Other Financing Sources	547,830	5,817,390	3,868,860	0.00%
Total Revenues	\$52,007,760	\$54,638,870	\$55,571,820	1.71%

<i>Expenditures</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>	<i>Percent Change</i>
Personnel	\$28,211,130	\$31,457,790	\$34,670,040	10.21%
Other Operating Expenditures	11,445,950	11,598,770	11,770,930	1.48%
Capital Outlays	437,140	207,970	215,500	3.62%
Debt Service	4,519,760	4,759,880	4,134,210	-13.14%
Other Expenditures	388,330	421,670	(693,150)	-264.38%
Contribution to CIP	2,283,800	6,192,790	5,474,290	-11.60%
Total Expenditures	\$47,286,110	\$54,638,870	\$55,571,820	1.71%

**City of Annapolis FY 2003 Proposed Budget
All Funds Summary**

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<i>Expenditures by Department</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>	<i>Percent Change</i>
Mayor and Aldermen	\$1,457,180	\$1,739,630	\$1,847,910	6.22%
Finance	1,674,940	1,829,560	2,052,010	12.16%
Human Resources	511,370	526,500	650,650	23.58%
Planning & Zoning	1,026,640	1,151,540	1,149,510	-0.18%
Central Services	1,514,950	1,370,660	1,559,690	13.79%
Police	10,315,460	11,010,360	11,907,200	8.15%
Fire	6,622,550	7,159,900	7,923,650	10.67%
Public Works	12,454,970	13,505,270	14,254,710	5.55%
Recreation & Parks	2,003,470	2,256,440	2,436,230	7.97%
Transportation	2,512,690	2,714,670	2,874,910	5.90%
Non-Departmental	388,330	421,670	(693,150)	-264.38%
Debt Service	4,519,760	4,759,880	4,134,210	-13.14%
Contribution to CIP	2,283,800	6,192,790	5,474,290	-11.60%
Total Expenditures	\$47,286,110	\$54,638,870	\$55,571,820	1.71%

FY 2001 - 2003 Budget Comparison by Fund

The following tables compare the FY 2001, FY 2002 and FY 2003 Budgeted revenue and expenditure budgets for all funds.

<i>Revenues by Fund</i>	<i>FY 2001 Adopted</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
General	\$33,846,400	\$39,543,020	\$39,506,770
Water	3,383,940	3,496,800	3,587,940
Sewer	4,498,220	4,396,920	4,443,680
Off Street Parking	1,823,600	1,817,000	1,917,000
Dock	786,200	787,200	591,370
Market	107,600	107,600	92,860
Transportation	1,504,600	2,119,800	3,064,200
Refuse	2,322,900	2,370,530	2,368,000
Grand Total	\$48,273,460	\$54,638,870	\$55,571,820

<i>Expenditures by Fund</i>	<i>FY 2001 Adopted</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
General	\$33,118,360	\$38,972,530	\$39,506,770
Water	3,380,270	3,496,800	3,587,940
Sewer	4,496,520	4,396,920	4,443,680
Off Street Parking	1,241,430	1,514,630	1,353,050
Dock	681,180	543,800	591,370
Market	85,090	76,320	92,860
Transportation	2,945,060	3,267,340	3,554,430
Refuse	2,325,550	2,370,530	2,441,720
Grand Total	\$48,273,460	\$54,638,870	\$55,571,820

**General Fund
Revenues - by Source
FY 2001 - FY 2003**

Property Taxes

The real property assessment, at 100%, used to calculate the FY 2003 tax revenue budget is \$2,644,000,000. This is a 5.5% increase over the FY 2002 assessment, at 100%, of \$2,505,000,000. The proposed tax rate for FY 2003 is 62.4 cents, which is the same as the adopted rate for FY 2002, per \$100 of full property value. The personal and operating property tax assessments are expected to increase 11% over FY 2002. The proposed rate also remains the same at \$1.66.

<i>Property Taxes</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Real Property: Revenues from taxes on assessed value real estate including land, structures, and improvements.	\$16,076,390	\$15,627,270	\$16,500,000
Personal Unincorporated: Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of unincorporated businesses.	55,680	87,500	87,500
Personal - Public Utility: Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of public utilities.	856,020	845,250	845,250
Personal Corporation: Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of incorporated businesses.	1,316,720	1,078,800	1,300,000
Penalties and Taxes: Interest paid on delinquent taxes.	130,540	145,000	113,000
Total Property Taxes	\$18,435,350	\$17,783,820	\$18,845,750

**General Fund
Revenues - by Source
FY 2001 - FY 2003**

- continued -

Licenses and Permits

These budgeted increases are based on FY 2001 actual revenue, FY 2002 projections, and the general upward trend of some of these revenue sources.

<i>Licenses and Permits</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Street Use: Fees charged for the use of City street and sidewalk surfaces.	\$93,640	\$91,500	\$91,500
Residential Parking Permits: Revenue from permits issued for parking in residential areas.	48,500	77,600	60,100
Sidewalk Cafes: Fees charged for the use of City sidewalks for restaurants that have sidewalk cafes.	6,900	6,600	6,900
Alcoholic Beverage Licenses: Revenues from licenses issued to allow sale of beer, wine, and liquor.	184,650	186,300	186,300
Traders Licenses: Fees collected from local businesses by the State and returned to the City.	81,420	85,000	81,000
Vendor-Huckster Licenses: Revenue from licenses issued for utility contractors and peddlers.	69,200	30,000	69,000
Towing Licenses: Fees from licenses issued to towing contractors.	40	100	100
Amusements Licenses: Fees charged by the City to operate various types of amusements.	3,520	2,200	2,200
Building Permits: Revenue from permits issued for building construction/electrical work; plumbing, sewer, water, and gas connections.	766,760	375,000	800,000
Occupancy Permits: Fees charged for inspection of buildings to permit use and occupancy of a new or substantially improved building.	21,670	12,000	20,000
Use Permits: Fees charged for change in use of a premises.	12,010	7,000	7,000
Cable TV Franchise Fees: Franchise fees for cable television at 5% of gross receipts.	318,820	302,400	400,000

**General Fund
Revenues - by Source
FY 2001 - FY 2003**

- continued -

<i>Licenses and Permits</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Wastewater Discharge Pretreatment Permits: Fees charged for inspection to obtain permits for "critical uses" connection to the City sewer system.	79,720	44,300	64,000
Other Non-Business Licenses: Revenue from the issuance of local licenses and permits not elsewhere classified.	70,660	50,000	50,000
Total Licenses and Permits	\$1,757,510	\$1,270,000	\$1,838,100

Intergovernmental Revenues

Although it is likely that the City will receive various grants from the U.S. Department of Justice, the State of Maryland, and Anne Arundel County, most have not been included in the FY 2003 budget because the application and acceptance process have not yet been completed. The budgeted Police Protection Grant is based on the costs of providing Police services and is calculated by the State. Highway Tax revenue is estimated based on information provided to the City by the State. Budgeted Hotel/Motel Tax revenue has been increased for FY 2003 by 12.84% based on the new West Street hotel opening.

<i>Intergovernmental Revenues</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Other Federal Environmental Grants: U.S. Environmental Protection Agency grants for oyster reef restoration, shoreline buffers, and habitat restoration	12,600	0	0
U.S. Department of Justice Grants: U.S. Department of Justice grants that fund certain costs of local law enforcement and citizen participation in an effort to make communities safer.	77,220	0	0
Police Protection Grant: City's share of State funds allocated to municipalities for police protection.	966,810	950,000	1,008,110
BMC Planning Grant: Subsidization of transportation planning activities and salary reimbursement, administered by the Baltimore Metropolitan Council and funded by various federal and state agencies.	11,490	0	0
Critical Area Grant: Assistance to local governments in carrying out their responsibilities under the Chesapeake Bay Critical Area Protection Program, administered by the Critical Area Commission, State of Maryland Department of Natural Resources.	13,000	0	0

**General Fund
Revenues - by Source
FY 2001 - FY 2003**

- continued -

<i>Intergovernmental Revenues</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Youth Services Grant: County and State payments to support Youth Service programs.	100,660	0	0
HotSpots Grants: State payments to support HotSpots neighborhood and youth programs.	9,620	0	0
Miscellaneous State Grants: Revenue from other state grants that are not listed separately.	200,380	0	0
Highway Taxes: City's share of gasoline tax and motor vehicle registrations collected by the State.	1,657,260	1,574,200	1,574,200
Income Taxes: City's share of income tax received by the State for returns filed from Annapolis.	3,903,000	3,650,000	3,650,000
Admissions Receipts: Taxes on admissions are returned to municipalities by the State on the basis of the amount collected.	912,820	703,500	800,000
State Payment in Lieu of Taxes: Revenue received from the State of Maryland in lieu of taxes for fire and police services.	317,000	367,000	417,000
County - 911 Revenue: Revenue received from a portion of the County grant to support the "911" emergency calling system.	178,910	156,000	179,000
Miscellaneous County Grants: Revenue from various grants from Anne Arundel County that are not listed separately.	21,910	13,200	13,200
Electricity: The City's share of sales tax collected on electricity use.	164,180	158,000	170,000
Gas: The City's share of sales tax collected on natural gas use.	24,830	27,000	27,000
Telephone: The City's share of sales tax collected on telephone use.	234,440	222,000	240,000
Fuel: The City's share of sales tax collected on fuel oil use.	3,970	2,500	2,500
Hotel-Motel Tax: Revenue from 7% tax levied on room receipts in the City of Annapolis.	1,523,500	1,550,000	1,780,000
County Payment In Lieu of Taxes: Revenue received from Anne Arundel County in lieu of taxes for fire protection coverage of the Annapolis Neck Peninsula.	369,570	369,570	545,000
Total Intergovernmental Revenues	\$10,703,170	\$9,742,970	\$10,406,010

**General Fund
Revenues - by Source
FY 2001 - FY 2003**

- continued -

Charges for Services

FY 03 budgeted revenue reflects the \$.50 per hour rate for parking meters, the same rate as FY 02. A slight increase in certain recreation program fees, combined with increased community participation is expected to result in a 7.69% increase in Recreation Program Fees over those of FY 02.

<i>Charges for Services</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Filing Fees: Charges for services relating to zoning such as map enhancements, text amendments, and use permits.	\$30,940	\$60,200	\$25,200
Rental Unit Licenses: Revenue received for licenses issued to operate a rental dwelling unit.	317,530	323,000	323,000
Fire Safety Inspection Fees: Revenue received from inspections of buildings to ensure that they meet all fire safety requirements concerning life safety.	13,730	18,000	18,000
Parking Meter Fees: Revenues from hourly parking meters located in the downtown area.	567,710	601,000	601,000
Recreation Program Fees: Revenues from fees for various recreation programs and classes.	237,450	240,790	259,290
Recreation-Latchkey Fees: Revenue from before and after school day care programs.	345,900	363,000	363,000
Total Charges for Services	\$1,513,260	\$1,605,990	\$1,589,490

Fines and Forfeitures

Parking Violations revenue is expected to remain the same as FY 02 budgeted amount. Revenue from confiscated funds is being budgeted to offset the need for additional funds for the mobile data computing project.

<i>Fines and Forfeitures</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Parking Violations: Revenues from parking violation fines.	\$678,150	\$730,000	\$730,000

**General Fund
Revenues - by Source
FY 2001 - FY 2003**

- continued -

<i>Fines and Forfeitures</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Municipal Infractions: Revenues received from fines for municipal infractions.	14,410	4,500	4,500
Confiscated Funds: Cash and personal items seized under current law by City Police during the commission of a crime.	134,390	0	101,690
Other Fines: Revenue from other miscellaneous fines and late charges on payment of fines.	11,130	20,000	20,000
Total Fines and Forfeitures	\$838,080	\$754,500	\$856,190

Use of Money and Property

Interest revenue on the short-term investment of cash balances is expected to decrease by 33.35% over that of FY 02. Revenue from the rental of City property is expected to decrease 1.01% from FY 02.

<i>Use of Money and Property</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Interest Income: Interest received from the investment of City funds.	\$1,311,300	\$1,201,000	\$800,400
Rents: Revenue from the rental of City property.	177,030	191,950	190,000
Contributions and Donations: Revenue from miscellaneous contributions and donations to fund City activities.	22,950	33,000	95,000
Payments in Lieu of Taxes: Revenues received under special legal agreements with certain entities in lieu of the regular property tax assessment.	\$71,160	\$72,140	\$72,140
Miscellaneous Sales: Fees collected for miscellaneous City services to citizens.	16,330	11,000	11,000
Payment for Police Services: Revenues from special dedicated police services.	82,140	98,000	98,000
Miscellaneous Revenues: Revenues not accounted for elsewhere.	119,730	130,000	105,000
Total Use of Money and Property	\$1,800,640	\$1,737,090	\$1,371,540

**General Fund
Revenues - by Source
FY 2001 - FY 2003**

- continued -

Other Financing Sources

Proceeds from other financing sources such as the disposal of fixed assets are not usually budgeted but are part of the actual proceeds for the year.

<i>Other Financing Sources</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>
Fixed Asset Dispositions: Proceeds from the disposal of general fund fixed assets.	\$0	\$0	\$0
Operating Fund Transfers: Revenues from miscellaneous operating fund transfers.	47,690	0	0
Appropriated Fund Balance: This is not an actual revenue; however it is a source of funding relied upon in balancing the budget. This funding source provides pay-as-you-go funding support for the Capital Improvements Program. \$6,237,790 of the general fund balance has been appropriated in FY 2002 to support pay-go project funding.	0	6,648,650	4,599,690
Total Other Financing Sources	\$47,690	\$6,648,650	\$4,599,690

**City of Annapolis FY 2003 Proposed Budget
General Fund**

<i>Expenditures</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>	<i>Percent Change</i>
Personnel	\$23,595,230	\$26,103,840	\$29,037,420	11.24%
Other Operating Expenditures	5,888,290	6,252,530	5,764,850	-7.80%
Capital Outlays	283,720	179,970	10,000	-94.44%
Debt Service	2,324,110	2,048,480	2,094,130	2.23%
Other Expenditures	*(1,171,200)	*(1,645,080)	*(1,979,320)	-20.32%
Contribution to CIP	1,787,400	6,032,790	4,579,690	-24.09%
Total Expenditures	\$32,707,550	\$38,972,530	\$39,506,770	1.37%

<i>Expenditures by Department</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Adopted</i>	<i>FY 2003 Proposed</i>	<i>Percent Change</i>
Boards and Commissions	\$72,480	\$74,480	\$75,590	1.49%
Mayor and Aldermen	1,039,740	1,256,000	1,330,870	5.96%
Finance	1,674,940	1,829,560	2,052,010	12.16%
Human Resources	511,380	526,500	650,650	23.58%
Planning & Zoning	1,026,640	1,151,540	1,149,510	-0.18%
Central Services	902,700	803,180	820,990	2.22%
Police	10,315,460	11,010,360	11,907,200	8.15%
Fire	6,622,550	7,159,900	7,923,650	10.67%
Public Works	5,597,880	6,468,380	6,465,570	-0.04%
Recreation & Parks	2,003,470	2,256,440	2,436,230	7.97%
Debt Service	2,324,110	2,048,480	2,094,130	2.23%
Non-Departmental	*(1,171,200)	*(1,645,080)	*(1,979,320)	-20.32%
Contribution to CIP	1,787,400	6,032,790	4,579,690	-24.09%
Total Expenditures	\$32,707,550	\$38,972,530	\$39,506,770	1.37%

* The negative dollar amount is the result of the credit to the General Fund for indirect administrative costs allocated to each enterprise fund.